CANADA - PRINCE EDWARD ISLAND

SUBSIDIARY AGREEMENT ON FISHERIES DEVELOPMENT

THIS AGREEMENT made this day of 1984

BETWEEN THE GOVERNMENT OF CANADA (herein referred to as "Canada") represented herein by the Minister of Fisheries and Oceans

OF THE FIRST PART

AND THE GOVERNMENT OF THE PROVINCE OF PRINCE EDWARD ISLAND (herein referred to as the "Province") represented herein by the Minister of Fisheries and Labour

OF THE SECOND PART

WHEREAS Canada and the Province have entered into an Economic and Regional Development Agreement (hereinafter referred to as the "ERDA") dated _____ ___, 1984.

AND WHEREAS this prior agreement provides, in part, for the entering into of subsidiary agreements for:

(a) coordination of existing federal and provincial policies, programs or activities which support measures to be implemented, including measures for human resource development;

(b) support, including financial assistance not available under other existing government programs;

(c) outlines of the activities and responsibilities of each government with respect to the measures;

(d) the division of costs between each government and the maximum amount thereof to be incurred; and

(e) Where the costs of any measure are to be shared between Canada and the Province, a Susbidiary Agreement shall specify the cost-sharing arrangement and the procedure for submission and reimbursement of claims between the parties, and may provide for advance payments and reimbursement by way of progress claims.

AND WHEREAS Canada and the Province agree that development of the fisheries sector will assist in achieving the objectives of this prior agreement, which are:

(a) to stabilize and diversify the economic base of the province and its communities in order to encourage balanced economic growth and to make the provincial economy less vulnerable to changes in world market conditions;

(b) to stimulate economic growth in the province and thereby increase provincial self-reliance, create additional employment and income opportunities and enhance the province's contribution to the national economy; and

(c) to better utilize the human resources of the province in order to provide its economy with increased flexibility to meet changing economic conditions and to maximize employment opportunities.

AND WHEREAS pursuant to Section 36 of the Constitution Act, 1982, Canada and the Province are committed to furthering economic development in order to reduce regional disparity;

AND WHEREAS the Governor-in-Council by Order-in-Council No. of the day of , has authorized the Minister of Fisheries and Oceans to execute this agreement on behalf of Canada;

AND WHEREAS the Fishery Development Act provides for financial assistance to be made available for fisheries development;

AND WHEREAS the Lieutenant Governor-in-Council by Order-in-Council No. of the day of , has authorized the Minister of Fisheries and Labour to execute this agreement on behalf of the Province;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises, covenants and agreements herein contained, the parties covenant and agree as follows:

DEFINITIONS

1. In this Agreement, unless the context requires otherwise,

(a) "ERDA" means the Canada-Prince Edward Island Economic and Regional Development Agreement signed on _____1984;

(b) "eligible costs" means costs referred to in subsection 7.2;

(c) "Federal Minister" means the Minister of Fisheries and Oceans and includes anyone authorized to act on his behalf;

(d) "Provincial Minister" means the Minister of Fisheries and Labour and includes anyone authorized to act on his behalf;

(e) "fiscal year" means the period commencing on April 1 of any year and terminating on March 31 of the immediately following year;

(f) "implementing jurisdiction" means a Party hereto which has the responsibility of delivering a project hereunder;

(g) "Ministers" means the Federal Minister and the Provincial Minister;

(h) "Management Committee" means that body established pursuant to subsection 5.1 of this Agreement;

(i) "program" means a principal component of the Agreement as outlined in Schedules A and B to this Agreement;

(j) "project" means a subdivision of a program;

PURPOSE

2. The purpose of this Agreement is to set out measures to be undertaken by Canada and the Province in support of fisheries development in Prince Edward Island.

OBJECTIVES

3. The objectives of this agreement are to confirm Canada's and the Province's commitment:

(a) to enhance the fishing industry in the Province by implementing a fisheries development plan; and

(b) to coordinate the fisheries development activities of the two governments to achieve the maximum benefit for the industry. This will include the dissemination of information concerning each government's activities.

IMPLEMENTATION OF MEASURES

4.1 To achieve the objectives outlined in section 3, Canada shall undertake and pursue, in accordance with its laws and policies, the programs outlined in Schedule A in accordance with the terms and conditions of this Agreement.

4.2 To achieve the objectives outlined in section 3, the Province shall undertake and pursue in accordance with its laws and policies, the programs outlined in Schedule B in accordance with the terms and conditions of this Agreement.

MANAGEMENT AND COORDINATION

5.1 Canada and the Province shall, through the ministers, appoint a Management Committee whose members shall be responsible for the administration and management of their respective programs as in Section 4, and their coordination within this Agreement, and with other federal and provincial programs.

5.2 The Management Committee shall consist of four members as follows:

(a) one member to be appointed by the Federal Minister who will act as the Federal Co-Chairman;

(b) one member to be appointed by the Provincial Minister who will act at the Provincial Co-Chairman;

(c) one member to be appointed by the Minister of State for Economic and Regional Development;

(d) one member to be appointed by the Premier;

5.3 A member of the Management Committee may, in writing, authorize another officer to attend the meetings of the Management Committee on behalf of that member;

5.4 The Management Committee shall be responsible for:

(a) the general administration of their respective programs outlined in Schedules A and B including the coordination of planning and implementaion of all programs under this Agreement; the preparation of appropriate documentation to accommodate the budgetary cycle of each of the parties hereto; and the development of an annual work plan and annual estimates which will be submitted to the ministers annually;

(b) The review of project descriptions for any project hereunder. Appropriate project documentation forms shall be prescribed by the Management Committee before review is undertaken;

(c) to prepare and submit annually, during the currency of this Agreement, a report on the progress achieved under this Agreement prior to the annual meeting of the Ministers referred to in sub-section 5.1 of the ERDA;

(d) where it identifies significant human resources implications in respect of any project hereunder, to consider a human resources plan for that project which will include affirmative action and recruitment of labour through Canada Employment and Immigration Commission (CEIC) as appropriate;

(e) the development of a public information program that will provide, wherever possible and in a manner satisfactory to both Ministers, for the permanent and continuing recognition of the respective contributions of Canada and the Province under the Agreement;

(f) to ensure that all contracts and arrangements entered into by an implementing jurisdiction with third parties shall contain the relevant provisions of this Agreement;

5.5 The quorum for all meetings of the Management Committee shall be two members or their representatives duly authorized pursuant to sub-section 5.3 provided that both co-chairmen or their designates are represented;

5.6 The Management Committee shall meet at least quarterly or as deemed necessary by the Co-Chairmen;

5.7 The Management Committee may establish working committees to carry out specific tasks;

5.8 The Management Committee shall ensure that fishermen and processors are consulted on matters relating to the implementation of this Agreement;

5.9 The Management Committee shall continue to exist and to operate for a period of twenty-four months after the termination of this Agreement.

5.10 Canada and the Province agree to provide the Management Committee with all information necessary for the performance of its function; however confidentiality of information obtained from industry shall be maintained.

5.11 The Management Committee shall perform any other functions that may be assigned to it by the parties hereto.

ADMINISTRATION

6.1 The party hereto that is responsible for implementing any program outlined in Schedules A and B shall be responsible for implementing any project arising therefrom;

6.2 Before a project arising from a program outlined in Schedules A and B shall be deemed, for the purposes of this Agreement, to be a project hereunder, such project must be approved by the Federal Minister, if Canada is the implementing jurisdiction for such project, or by the Provincial Minister, if the province is the implementing jurisdiction for such project.

6.3 No project hereunder may be approved after the termination of this Agreement.

6.4 The implementing jurisdiction for any project hereunder shall be responsible for taking such steps as may be necessary to carry out the project in question. In particular, the implementing jurisdiction may enter into one or more contracts for this purpose, or may utilize its own resources.

6.5 Any contract entered into by the implementing jurisdiction with a third party for any project hereunder shall be awarded and administered in accordance with the administrative and management procedures of such implementing jurisdiction.

6.6 Reports, documents, plans and other materials prepared by a third party who has been awarded a contract by the implementing jurisdiction for any project hereunder in connection with such a project shall become the property of the said implementing jurisdiction.

6.7 The implementing jurisdiction for any project hereunder shall use Canadian goods and services in carrying out any such project hereunder to the full extent to which they are procurable, consistent with proper economy and the expeditious carrying out of such projects.

6.8 Any contract entered into by the implementing jurisdiction for any project hereunder with a third party shall provide:

(a) that any of the members of the Management Committee or a duly authorized representative shall be permitted to inspect the project at all reasonable times;

(b) that the third party will respect all applicable labour laws and standards; and

(c) that the third party undertakes either to indemnify or to provide a suitable insurance policy for the benefit of both parties hereto.

6.9 The implementing jurisdiction for any project hereunder shall indemnify and save harmless the other party hereto, its offices, servants and agents against all claims and demands of any third party arising out of the implementation of such project.

6.10 Any contract entered into by the implementing jurisdiction for any project hereunder with a third party shall also contain provisions implementing the intent of subsections 6.6 and 6.7.

6.11 Where any project hereunder is not completed on the termination of this Agreement the provisions of this Agreement shall, notwithstanding termination, continue in force and effect, and shall apply to each project until completion of that project or until the expiration of a period of twelve months as of the said termination, whichever comes first.

6.12 Upon the completion of any project hereunder, the implementing jurisdiction or the third party assigned the on-going responsibility for such project shall take over full responsibility of that project's operation, maintenance and repair, except in cases where other arrangements between parties hereto specifically apply. Where the on-going responsibility for the operation, main-

tenance and repair of any project hereunder is to be vested in a third party, the contractual arrangements made between the implementing jurisdiction and the said third party shall provide a clause in order to save Canada and the Province harmless from any claims, demands, actions, and causes of action which may be made against them arising out of the operation, maintenance and repair of any such project.

PAYMENT PROCEDURES

7.1 The implementing jurisdiction for any project hereunder shall be responsible to pay all costs of implementing the said project and shall apply its payment procedures thereto.

7.2 "Eligible Costs" means costs incurred by the implementing jurisdiction for a project hereunder in connection with such project that are:

(a) invoiced by a third party to the implementing jurisdiction under a contract entered into by the implementing jurisdiction with the said third party; or

(b) defined and determined by the Management Committee.

FINANCIAL PROVISIONS

8.1 Notwithstanding anything in this Agreement, the expenditures to be made by Canada in connection with projects hereunder shall not exceed $7.5 million.

8.2 Notwithstanding anything in this Agreement the province's expenditures in connection with projects hereunder shall not exceed $2.5 million.

8.3 The monetary obligations of Canada hereunder are subject to the express condition that there be an appropriation by the Parliament of Canada of the monies necessary therefore for the fiscal year in which any such obligation would come in course of payment.

8.4 The monetary obligations of the Province hereunder are subject to the express condition that there be an appropriation by the Legislative Assembly of Prince Edward Island of the monies necessary therefor for the fiscal year in which any such obligation would come in course of payment.

AUDIT PROCEDURES

9.1 Each of the parties hereto shall ensure that proper and accurate accounts and records are maintained with respect to each project hereunder which it is implementing.

9.2 Each of the parties hereto will provide to any member of the Management Committee on request all information that would indicate that a project hereunder has been undertaken or completed and the costs incurred with respect thereto.

COMMUNICATIONS

10.1 The parties hereto will cooperate in public information activities relating to this Agreement.

10.2 Announcements, release of reports, etc., will be arranged by the Federal Minister for such projects implemented by Canada or by the Provincial Minister for such projects implemented by the Province.

10.3 In all public information activities, the parties hereto will be guided by the principle that all interested persons should be kept informed, and that the contributions of both parties under this Agreement should be fairly acknowledged.

EVALUATION

11.1 The management Committee shall develop a plan for evaluating the programs outlined in Schedules A and B attached hereto as well as the projects arising thereunder.

11.2 This Agreement shall be completely reviewed jointly during the fiscal year commencing April 1, 1987 to consider all aspects of the implementation of this Agreement including the effectiveness of projects hereunder.

11.3 The Management Committee will submit to the ministers a comprehensive evaluation report six months before the termination of this Agreement.

AMENDMENT

12.1 This Agreement may be amended from time to time by the written agreement of the Federal Minister and the Provincial Minister, but no amendments to subsections 6.3, 6.7, 8.1, and 8.2 shall be made without the approval of the Governor-in-Council and the Lieutenant Governor-in-Council.

GENERAL

13.1 This Agreement shall commence on and take effect from and, subject to subsection 13.2, shall terminate on March 31, 1989.

13.2 Notwithstanding subsection 13.1, this Agreement may be terminated at the end of any fiscal year, with six months prior notice, in writing, by either party, following the expiration of at least one year from the execution of this Agreement.

13.3 The laws in effect in Prince Edward Island shall apply to this Agreement.

13.4 No member of the House of Commons of Canada shall be admitted to any share of part of any contract, agreement, or commission made pursuant to this Agreement or to any benefit arising therefrom.

13.5 Nothing in this Agreement is to be construed as authorizing any one of the parties hereto to contract for or to incur any obligation on behalf of the other or to act as agent for the other, unless approved by the Management Committee.

13.6 The terms and conditions of the ERDA shall apply to this Agreement.

13.7 This document and Schedules A and B form the entire Agreement of the parties hereto.

IN WITNESS WHEREOF this Agreement has been executed on behalf of Canada by the Minister of Fisheries and Oceans and on behalf of the Province by the Minister of Fisheries and Labor this day of , 1984.

THE GOVERNMENT OF CANADA:

WITNESS	Minister of Fisheries and Oceans

THE GOVERNMENT OF PRINCE EDWARD ISLAND:

WITNESS	Minister of Fisheries and Labor
WITNESS	Premier and President of the Executive Council

Schedule "A"

FEDERAL FISHERIES DEVELOPMENT PROGRAMS TOTAL $7,500,000

OBJECTIVES:

The objectives of this agreement reflect the objectives identified by the Task Force on Atlantic Fisheries and particularly are concerned with the creation of net economic benefits:

a) through increased unit value of output resulting from quality enhancement in harvesting and processing;

b) through reduction in unit costs of production in harvesting and in processing; and

c) through aquaculture to increase the resource base.

OVERVIEW OF PRINCE EDWARD ISLAND FISHING INDUSTRY

Primary output

P.E.I. traditionally receives about 3% of the Atlantic Coast landings and accounts for about the same value of industry output. Market value of P.E.I. fish production is 2.5 times the landed value, which is only exceeded by Newfoundland and Quebec. This relatively high ratio is the reflection of the dominance of high value shellfish and lobster, as these species account for 75% of the total value of fish landings in the province. Also, although total actual landings decreased in P.E.I. during the period 1971-1982, the value of the landings increased during the same period, due to the increase of landings of these high valued species.

Fishermen, Vessels, Ports

The number of fishermen in the province has increased from 2,061 in 1978, to 3,013 in 1982; these fishermen represent 6.4 percent of total employment in the Province.

The vessels operating out of Prince Edward Island are predominantly inshore (under 45') and the majority are less than 9 years old.

There are 67 fishing ports in P.E.I. Substantial deficiencies have been identified in quality oriented fish handling capacity at most of these ports.

Secondary Output

There are 42 processing plants in P.E.I., the majority of which are small independent operations based on a wide range of species.

The majority of these plants are in relatively good condition, as many have been assisted under the Plant Upgrading Program of the Federal Development Strategy Fisheries programs of the previous two years.

Prospects for Development

No significant expansion in the resource base available to Prince Edward Island vessels is anticipated in the short-run and opportunities for economic development lie principally in securing increased net revenue from existing resources through aquaculture, shellfish and other resource development.

Development opportunities for existing resources may be realized in:

- improved and consistent product quality to expand market prospects;
- increased value-added from changes in the product mix
- increased efficiency from cost reduction initiatives in harvesting, processing and distribution;

The federal and provincial programs will be jointly planned and coordinated by the Management Committee but will be delivered entirely in parallel.

"he federal components are as follows:

RESOURCE DEVELOPMENT $2,000,000

With the exception of modest long term increases in Gulf groundfish stocks and reallocation of offshore stocks, increased fish landings are not anticipated. Future increases will depend largely on the development of aquaculture and the better utilization of non-traditional species.

Opportunity exists in the area of aquaculture and the federal government must take a lead role in encouraging and assisting the industry to experiment with and develop improved processes for aquaculture. Efforts in resource development will result in increased employment, greater economic returns and diversification of the industry. It is proposed to enter into contractual arrangements to develop commercially viable aquaculture operations. This will allow for increased throughput so that the industry may become self sustaining.

1. Natural stocks of salmonids are depleted and the demand is high for these species. However, a main constraint to growth in this area is the limited supply of smolts and fingerlings. This is compounded by the mandate of the federal hatcheries which currently is limited to stocking streams and rivers. Therefore, it is important that technical assistance and capital assistance be provided to the industry to develop reliable sources of supply.

2. Shellfish species including oysters, clams, quahaugs and mussels are exploited on Prince Edward Island. Improving production from public shellfish beds, assistance to improve production on leased beds, examination of leasehold conditions and production, transfer to industry of natural holding techniques developed by Department of Fisheries and Oceans are all required. It is proposed to undertake selective joint ventures to develop and perfect techniques for commercial aquaculture. The terms and conditions will be subject to negotiation and will vary with the type of project.

3. There have also been promising results for commercial aquaculture with non traditional species, i.e. rock crabs, eels, whelks. These will be developed according to the same guidelines as above.

4. The lobster fishery is the major segment of the P.E.I. fishery, accounting for 50% of employment and 65-70% of value. Therefore in order to increase overall returns to the industry in P.E.I. it is important to assess the effect of lobster carapace size increase, by undertaking research to establish the relation between market value and carapace size. This type of activity is currently beyond the resource capability of this department and is essential before steps can be taken to introduce regulations for an increased carapace size.

HARVESTING $2,000,000

The harvesting program will stress improved harvesting and handling techniques related to quality enhancement and cost reduction. More specifically, programs could include:

1. Experiments have been done on an Atlantic wide basis to develop techniques to bleed, gut, ice and containerize fish on board vessels. It is proposed to provide financial assistance to acquire expertise and equipment which will be essential under the new regulations.

2. Development of techniques and equipment for winter harvesting of mussels will be undertaken with the resulting information transferred to the industry.

3. A program capable of evaluating current vessels and calculating energy savings from vessel modifications is planned to provide service to the P.E.I. fishermen. This would be similar to the project developed in Newfoundland.

INFRASTRUCTURE $2,000,000

This program will improve conditions under which fish are handled with a view to obtaining the highest quality and value from the catch. Infrastructure refers in a general sense to the physical elements between the vessel and processing plant. It will be in keeping with the community by community infrastructure study prepared by DFO. Site by site requirements have been identified and will be implemented following consultation with the industry. This may include elements such as on-offloading equipment, water and electrical services, transportation, dockside service, etc. (and ice making/storage facilities to the extent these are not covered in other programs.

PILOT PROJECTS INDUSTRIAL DEVELOPMENT $500,000

DFO will not overlap or duplicate existing assistance programs available through other federal departments, furthermore the province and DFO, through the Management Committee are working closely to avoid this overlapping or duplication.

This program will consist of the provision of assistance to the processing sector to aid in conducting pilot projects which are not eligible for assistance under other federal or provincial programs in the area of processing technology, such as cold storage facilities, computer technology in processing plants, and product development such as Surimi. These will be considered upon request and will be reviewed on their ability to contribute to the economic viability of the P.E.I. industry.

IMPLEMENTATION, EVALUATION, INFORMATION $1,000,000

The Management Committee will be responsible for the implementation of the agreement, while involving actively the fishing industry.

These projects will be evaluated in terms of their objectives. This may be accomplished through the services of consultants.

Public information activities, over the life of the agreement will be planned by the Management Committee. The guiding principles will be that all interested parties will be kept informed and that fair acknowledgement should be provided of the contribution of both governments.

Schedule "B"

P.E.I. FISHERIES DEVELOPMENT PROGRAMS - TOTAL 2,500,000

The following was presented by the Province.

The P.E.I. Department of Fisheries and Labour have a number of development oriented programs which have been planned, developed and implemented over the past two and one half years. It is the intention of the provincial Department to augment, expand and diversify these programs through this Agreement in order to provide the best service possible to the P.E.I. fishing industry. The programs to be implemented under this Agreement are intended to be complementary to existing programs and are outlined as follows:

EXTENSION $650,000

The extension role is seen as a vital component of overall fisheries development and a broad based extension effort is a priority for the provincial Department.

New initiatives being planned include Organizational Support and Technical Upgrading.

Organizational Support will provide a portion of basic core financing to fisheries organizations on a determined need basis to assist them to represent the interests of their members. Leadership development will also be addressed by this program to assist members of fishery organizations, advisory committees and interested members of the fishery to develop their communication and leadership skills.

Technical Upgrading will provide training for fishermen and processors to keep them abreast of current technologies. As well, the program will provide financial expertise to assist on an individual basis to develop systems to manage fishing enterprises in a business like manner.

PRODUCTION/MARKETING $250,000

A market led approach to sales of fish products offers the greatest potential for increasing returns from the marketplace for the P.E.I. fishery. The Provincial Deparmtent intends to develop the market for P.E.I. fish by mounting programs to identify market needs and match production to those needs and opportunities. This activity will also be enhanced by promotion of P.E.I. fish products on the local, national and international level.

New initiatives to be undertaken in the Production/ Marketing program could include Product Development and Seafood Promotion.

Product Development will provide assistance to the processing sector to encourage the test production of new product forms for processing on P.E.I. including development on species that have been underexploited and/or difficult to market. The program will fund projects designed to assist the fishery as a whole by evaluating the feasibility of potential new opportunities in such species as herring and mackerel.

Seafood Promotion will provide assistance to ensure that the production of small and medium sized processors receives adequate promotion. Local promotion programs will assist processors who are aiming at local consumption and co-ordination will be provided to those exporting to assure exposure in market areas deemed to have potential.

PROCESSING $650,000

The development of the fish processing industry on P.E.I. is a main key to increasing economic returns in the Island fishery. It is the intention of the provincial Department to assist in the development of the processing sector with initiatives in Technology Improvement and Productivity and Quality Enhancement.

Technology Improvement will provide financial and technical assistance to the seafood processors to encourage the processing of identified value added products and to evaluate equipment which has potential to improve processing capacity or add to the efficiency of the operation.

Productivity and Quality Enhancement will enable seafood processors to acquire the services of trained personnel to establish and implement in-plant quality control programs and to identify and correct processing inefficiencies. Advice on management and processing technology will also be provided. This program will result in improved productivity, better quality control procedures and improved profit margins.

AQUACULTURE DEVELOPMENT $150,000

The Department has been at the forefront of aquaculture development in P.E.I. over the past decade. This development has resulted in advances in mussel and salmonid culture to the point of successful commercial operations. It is intended to foster the expansion of commercial production capabilities in mussels and salmonids. As well the development of aquaculture in other shellfish, finfish and seaplants will be encouraged.

Aquaculture Development will provide technical expertise, courses, seminars and workshops for the commercial aquaculture operations. The aquaculture industry is still in the developmental stages on P.E.I. and therefore, there is a need for improved management, better cost control and improved technology. This program will address these concerns and will be closely linked to any financial incentives implemented for the industry.

The question of policy formulation for aquaculture will also be addressed and this will provide direction to ensure that this developing industry achieves its maximum status in increased employment, quality standards, market expansion, etc.

FINANCIAL INCENTIVES $800,000

Financial Incentives are an effective means for fishermen and fish processors to be encouraged to maintain a competitive approach with others involved in the same business area and to make the best use of available resources.

New initiatives in Financial Incentives will support beneficial developments to the P.E.I. fishery. These incentives will include broadening of present programs or formulation of new programs in response to identified developmental opportunities in the processing industry, i.e., ways to increase yield.

Canada

Prince Edward Island

FISHERIES SUBSIDIARY AGREEMENT

BACKGROUNDER

In 1969 the Federal Government entered into the Comprehensive Development Plan Agreement with the Province of Prince Edward Island. This represented the first comprehensive approach to the economic development of a province in Canada. Under the fisheries component of this Agreement, all fisheries development programs were administered by the Province.

In 1981 the federal government determined that certain federal programs under fisheries development would be implemented directly by the federal Department of Fisheries and Oceans through a three-year, $39 million Federal Development Strategy. The Province for its part implemented programs for the development of the industry directly through its annual budget.

For the past year negotiations regarding a fisheries development initiative have taken place between federal and provincial fisheries personnel. These have culminated in the signing, on June 13, 1984, of the Fisheries Subsidiary Agreement accommodated under the Economic Regional Development Agreement also signed on this date.

Federal Programs

The $7.5 million to be direct-delivered over the next five years by the Federal Department of Fisheries and Oceans include the following programs:

Resource Development

- The Resource Development program will provide financial assistance in those areas which present the most potential for development and expansion. These include new developments in trout and salmon aquaculture, the shellfish industry - oysters, clams,

mussels, quahaugs - underexploited species and studies on potential benefits of increasing the carapace size of lobsters.

. Infrastructure

Infrastructure refers in a general sense to the physical elements between the vessel and processing plant. These can include winches, derricks, fish unloaders, water facilities and ice machines.

. Industrial Development

This program will provide assistance to the processing sector to aid in conducting pilot projects which are not eligible for assistance under other federal or provincial programs in the area of processing technology.

. Harvesting

The harvesting program will continue to emphasize improved harvesting and fish handling techniques to improve quality and reduce production costs. The program will cover on-board product handling equipment, encouragement of longline systems, development of techniques and equipment for winter harvesting of mussels and enhancement of energy conservation on inshore vessels.

. Implementation/Information

This program has as its objective the active involvement of the fishing industry in the development and implementation of projects under this Agreement. Also a line of cummunications with the industry will be developed through general meetings, advisory committees, publications and advertising.

Provincial Programs

The additional financing of $2.5 million to be direct-delivered by the Province over the next five years include the following areas:

. Extension

The extension program is the major professional assistance service to P.E.I. fishermen and technical assistance to individual fishermen and their

organizations, advisory committees and interested members of the industry to develop their communication and leadership skills. The Program will also provide training for fishermen and processors to assist, on an individual basis, in developing better (state-of-the-art) management practices.

Production/Marketing

The Department intends to develop and expand the market for the P.E.I. fishing industry by mounting programs to identify market needs and match production to meet those needs. This would include the promotion of P.E.I. fish on the local, national and international level.

Processing

This program will be the main assistance program to the seafood processors of P.E.I. and is aimed at providing financial and technical assistance to encourage and expand the processing of identified value-added products, to evaluate equipment efficiency, to establish and implement in-plant quality control programs and identify and correct processing inefficiencies. Advice on management and processing technology will also be provided.